



HARNESSING THE VALUE OF YOUR DATA

HOW DATA STRATEGY DRIVES BOTTOM LINE RESULTS

The challenge of moulding a deluge of data into meaningful information that supports business strategy.

WHITEPAPER
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INTRODUCTION

DATA HAS ALWAYS BEEN AN IMPORTANT TOOL FOR DECISION MAKERS. TRADITIONALLY IT HAS BEEN CLOSELY ALIGNED WITH PRODUCT DEVELOPMENT. WITH THE ADVENT OF DIGITAL TECHNOLOGY, THERE ARE MORE SOURCES OF DATA THAN EVER THAT CAN PROVIDE BUSINESSES WITH VALUABLE INSIGHTS INTO CUSTOMER EXPERIENCE.

There is no shortage or blockage in the amount of data available to organisations. Rather the challenge lies in data analysis and interpretation: translating an organisations data into meaningful information that can be used to make decisions, and having an agile corporate culture that will respond.

In this paper we examine:

- What data looks like today
- The opportunities and challenges organisations face in extracting value from their data
- Where responsibility for data sits in an organisation, and how to create a data strategy
- Ways to activate your data
- How to leverage your existing assets, both IT and people
- The skills and experience needed by those implementing your data strategy.
- Why there are so few data analysts and ways to get around the talent shortage
- Ways to encourage a test-and-learn culture.



WHAT DATA LOOKS LIKE TODAY

THERE ARE NOW MORE SOURCES THAN EVER OF INFORMATION ABOUT US AND HOW WE BEHAVE. AS WE HAVE BECOME A MORE DIGITALLY CONNECTED SOCIETY, WE HAVE COME TO GENERATE DIGITAL FOOTPRINTS. THESE PATHS CONTAIN RICH DATA ABOUT US AS INDIVIDUALS BEYOND OUR BASIC DEMOGRAPHIC INFORMATION.

The opportunity to create more meaningful customer experiences

Our digital footprints capture us at an individual level, providing detail about our lives: our network of friends and colleagues; our preferences; where we go; and how we spend our time and money. This detailed data describes our behaviours and can be used by organisations to create more personalised, relevant and meaningful customer experiences.

As a society we are increasingly aware of the value of our personal information, and how it is used by organisations for their benefit. Consumers are willing to share data about themselves when they stand to benefit from a more tailored interaction with a company. However, at the same time, we have become protective of our information, and are often not prepared to share it without being offered something in return.

Data deluge

With more sources of raw data about customers available, organisations are faced with a flood of facts about not only existing customers, but also about those having experiences with their organisation.

Big data is just that: large volumes of information that can't easily be manipulated using mainstream software or traditional analytics. There are no quick fixes to handling the volume or flow of big data. It's a matter of finding and retaining the right people with the right skills who can help you look at your data, analyse it and effectively communicate the insights that are buried beneath the deluge of data. Solutions to this challenge are discussed further in this article. You can also delve deeper by downloading the ADMA Big Data Best Practice Guidelines adma.com.au/connect/articles/best-practice-guideline-big-data/

The need for a data strategy

With so much raw data available, it's clear that organisations need to take the time to consider how to harness its value to improve customer experience. There is simply too much data available to analyse it all. Businesses need to take a strategic approach.

New businesses lack data. The lack of experience in the market places new businesses at a distinct disadvantage to established businesses that already know what their customers want and are able to adapt to changing demand. The new businesses that recognise this weakness, and place data at their core, will be the ones that thrive.

Recognising the value data can deliver

Before the executive level will support initiating a data strategy, they need to be convinced it will deliver value. It is at this point that an organisation's leaders need to be shown how a data strategy can support decision-making, enabling them to transition 'from thinking to knowing'. Decisions that have in the past relied on intangible factors and intuition can be quantified, analysed and discussed when the right data strategy is in place.

CASE STUDY

Westpac increases investment property loans through targeted education

RAPP's 'Q3 home load property investor' campaign for Westpac has received the ADMA AC&E 2014 award in Data Analytics & Planning category.

Westpac discovered a common misconception among customers: it is too expensive for them to buy an investment property. Their campaign aimed at changing existing customer opinions through education and information.

Westpac analysed customer data to identify and target relevant customers with targeted messages about the actual cost of owning an investment property. The question was posed, in a tongue-in-cheek manner, asking the customer if they would trade three coffees a day for an investment property.

Communication channels were integrated and personalised, so customers received seamless carry-over of messaging and themes, tailored to specific customer needs, flowing right through to personalised names from branch managers. In effect, a dialogue was built between the customer and mortgage seller using messages that were directly relevant to the customer.

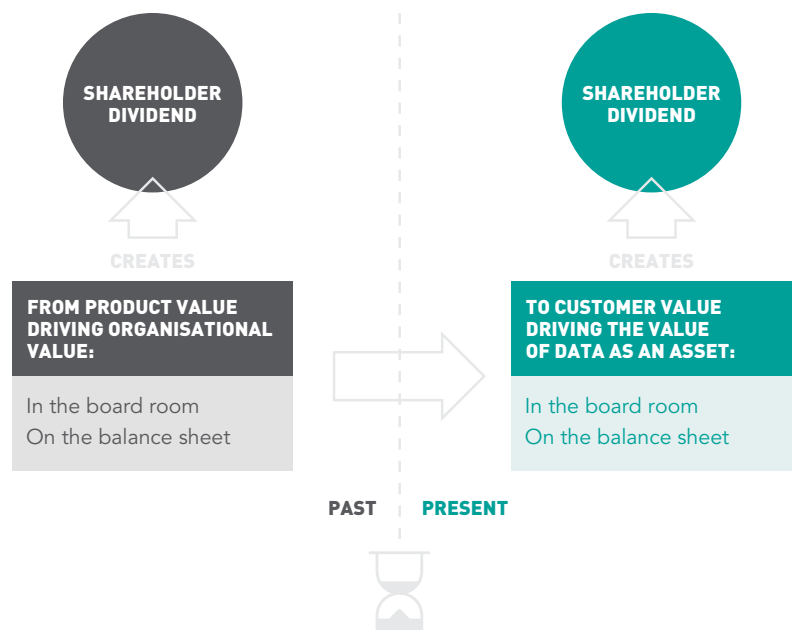
Not only were mortgage sales increased by the campaign, but relationships between Westpac and customers were deepened from this data driven campaign.

The full case study and other winners from the ADMA AC&E Awards can be downloaded here acandearwards.com/2014-awards/

Data as a distinct line item on the balance sheet

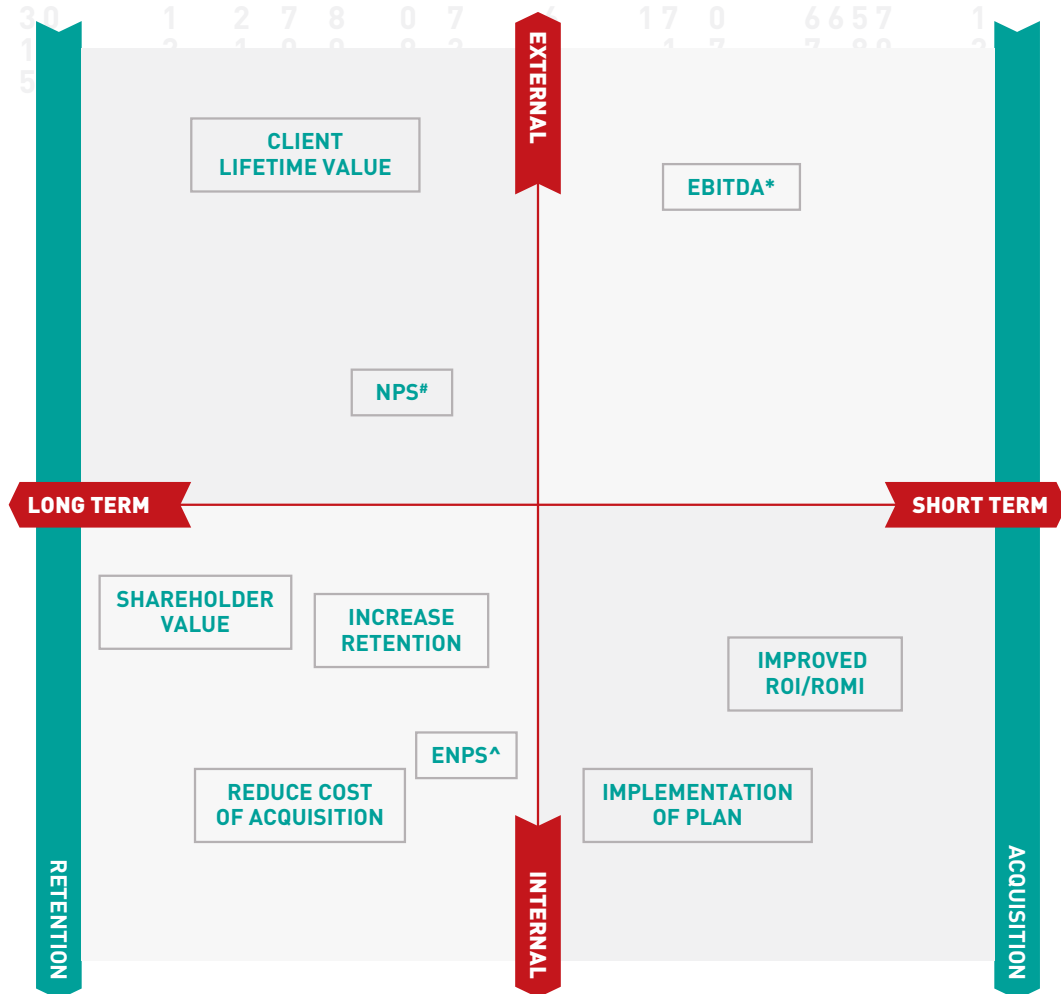
In the short-term, data strategy is used to support short-term decision-making, such as seasonal adjustments to products. However, over longer periods of time, the insights and decisions made using data will drive shareholder dividends. For this reason, it follows that data should be given a quantifiable value and recognised as an asset on the balance sheet.

Once data is documented on the balance sheet, leaders are forced to acknowledge its value, and the contribution every part of the business has to its success. This change in accounting can help shift an organisation's culture towards a more unified focus on customer experience.



HOW TO MEASURE DATA STRATEGY SUCCESS

Long term vs. short term objectives depend on organisational goals and objectives



* EDITDA - Earnings before Interest, taxes, depreciation and amortisation

NPS - Net promoter score

^ ENPS - Employee net promoter score

FINDING A HOME FOR DATA

THE QUESTION OF WHO IS RESPONSIBLE FOR AN ORGANISATION'S DATA IS NOT ALWAYS AN EASY ONE TO ANSWER. DIFFERENT TYPES OF INFORMATION ABOUT CUSTOMERS CAN SIT IN SEPARATE AREAS, MAKING IT DIFFICULT TO ACTIVATE. HOWEVER, WHEN WE CONSIDER THAT ALL ROLES IN AN ORGANISATION EXIST TO SERVE CUSTOMER NEEDS, WE CAN SEE THAT RESPONSIBILITY FOR DATA, AND SUPPORTING AN ORGANISATION'S DATA STRATEGY FORMS PART OF EVERYONE'S ROLES.

Data strategy falls across the organisation, with roles and responsibilities in every division. And as with all organisation-wide functions, the success of the data strategy will depend on both leadership and commitment by everyone in the organisation.



Existing methods for resolving responsibility for data strategy are falling short

Companies are currently using one of four models for assigning responsibility and ownership of big data in their operations. Although each of these methods can work well for a part of the organisation, none of these models infuses the responsibility for, and insights gained, from a company's data.



Although IT plays a critical role in all aspects of big data, IT does not take an ownership or leadership role in any of these models. Increasingly it is marketing leaders who need to own the processes, teams as well as the data itself in order to drive real business outcomes.

CASE STUDY

Telstra Thanks A Million Campaign

Lavender's 'Thanks a Million' campaign for Telstra has received the ADMA AC&E 2014 award for Data Strategy. The judges called it an excellent example of how data can be used to drive change in customer behaviour.

To shift customers net promoter scores, Telstra created a "thank you" movement, which proactively contacted more than 6 million Telstra customers through a highly targeted DM and eDM campaign to express genuine gratitude.

Data was modelled on previous behaviour to specifically target three different levels of net promoter scores. The customer base was then segmented by a number of variables, resulting in 73,208 different tailored communications targeted to customers.

Staff across the business were involved in the campaign, performing a range of different activities as part of the program. More than 14,000 inbound opportunities to increase customer satisfaction were initiated, with more than 50,000 customer issues raised, tracked and resolved. Analysis showed that half the customers contacted through the campaign had outstanding unresolved issues, 90% of which were resolved through this single initiative. Overall, Telstra's net promoter score jumped 5 points.

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Effectively engage at the executive level

Data activation can be a new field for some in the executive suite. The following pointers can help you engage more effectively around understanding and supporting your data strategy.

- Start by reviewing your business goals and strategic priorities
- Create the strategic data framework around the strategic priorities of your organisation
- Begin with the effect the data strategy will have on the business
- Demonstrate how the organisation's data can be used to support decision making
- Make the outputs easy to understand
- Develop a road map that shows executives what you are doing and what investment and outputs to expect along the way
- Consider employing short-term testing and prototyping to increase your agility.

COMMON CHALLENGES	CREATIVE SOLUTIONS	
Leadership	Executive level	All roles
	Leadership expectations need to expand beyond sales/revenue.	Harness the whole organisation.
	Incentives need to come from the top.	Create clear accountability.
	Senior management must be committed.	Define ROI and success metrics.
	Many senior advocates are needed.	Include quick wins.
Single clear vision of successful customer experience	Executive mandate: This is our company-wide vision, and we will be measured against it.	
	Develop a vision that identifies and defines the target experience.	
	Benchmark against global standards.	
	Focus on long-term benefits and persist through the change process.	
	Recalibrate to a customer-centric approach.	
	Mandate ownership and responsibility of the vision by all using an internal communications strategy lead from the top.	
	Create common accountabilities across the organisation.	
Company structure	Be disciplined around your execution.	
	Customer-centric structure and delivery.	
	Process needs to begin with how the customer engages and interacts with the business, rather than the other way around.	
Budget (particularly relevant to matrix organisations)	Address organisational silos.	
	Start small and think big to prove the concept.	Create a clear blueprint and investment timetable.
	Integrate separate budgets.	Build in an ability to quit at all stages.
Team culture, execution, executive ownership and brand	Take a proof of concept approach that delivers value at all stages.	
	Cultural alignment is required.	Business integration might be needed.
	Communicate clearly and often.	Staff performance reviews are tied to KPIs.
Data - Data silos - Data quality - Rapid change - CRM insights	Celebrate wins against vision.	
	Skill sets may need to be improved and made cross-functional.	
	Understand the customer lifetime value.	Become aware of what data is available and its capabilities.
	Improve data quality and integration.	Less about data and more about insights.
	Make use of the data insights and turn them into something relevant to the customer.	
Technology - Systems restrictions - Legacy issues	Don't be side-tracked by trends and fads.	
	Identify quick wins (bring together two sources of data such as Facebook and Twitter and integrate into your CRM data).	
	Use technology to support your business, but don't let it take over.	
	Identify work arounds with IT and marketing.	
	Put someone in place to act as a conduit between business and IT.	
Cost and priorities	Innovation team to look at new ways of doing things.	
	Integration of systems – start with a pilot.	
	Quick wins, such as pilot programs enable you to learn fast and fail fast.	
	Create a clear strategy and understanding the foundation required to build on.	
	Lots of opportunities – examine how to direct these.	Cost of execution.

ACTIVATING YOUR DATA

DATA ACTIVATION IS THE CROSS ROADS BETWEEN DATA AND MARKETING. IT IS WHERE DATA BECOMES INFORMATION THAT IS USED TO MAKE DECISIONS AND TAKE ACTION.

STEPS TO ACTIVATE YOUR DATA AND TRANSFORM IT INTO MEANINGFUL INFORMATION YOUR BUSINESS CAN USE:

- 1** create a vision and strategy that balances the linear nature of IT solutions with the agility required by open ended enquiry
- 2** operate both:
a. business as usual data strategy – linear
b. project stream of data – agile and flexible
- 3** engage a project team that partners with the executive suite
- 4** build bridges between those who generate the data and those who analyse it to:
a. verify the data is accurate
b. speed up identification of changes or trends in the data

Active data now drives marketing and personalised customer relationships

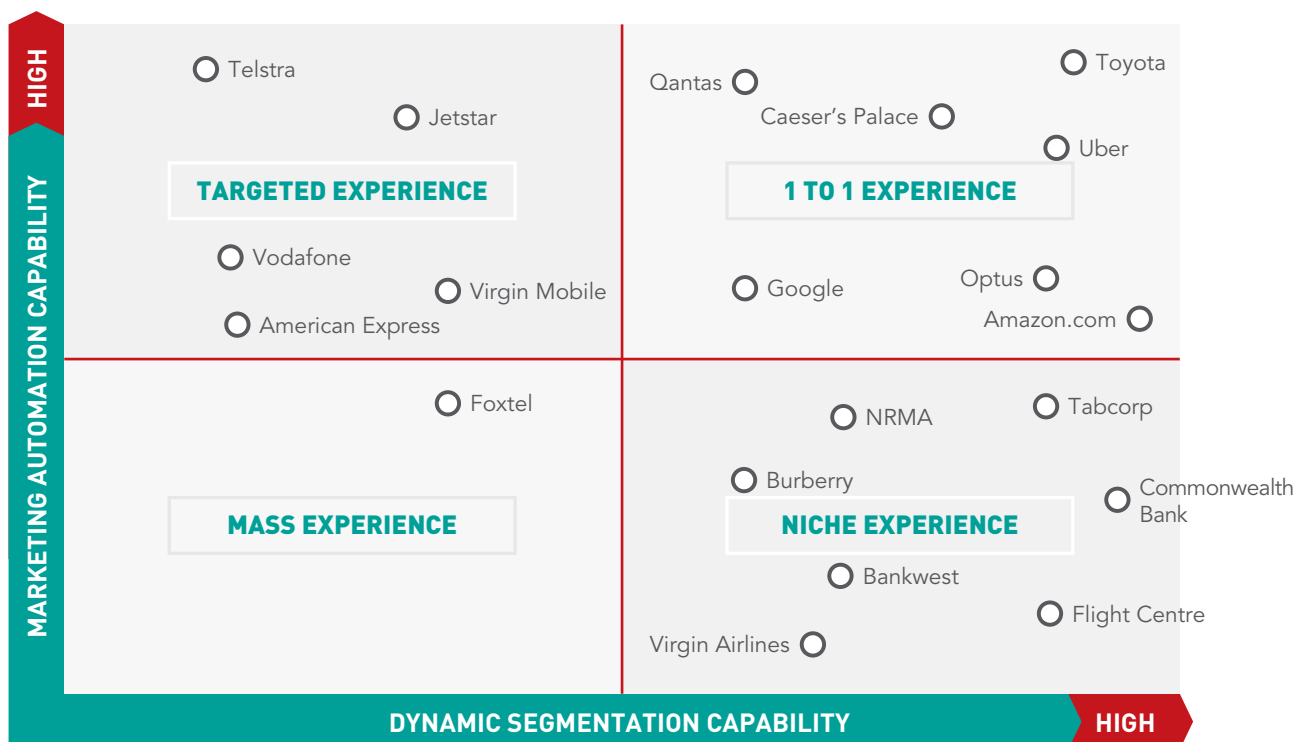
The traditional relationship between marketing and customers has flipped. Where marketers previously crafted a message or offer that customers responded to, the roles have now reversed. With real-time information about customer behaviour now available, marketers are using the data to communicate and respond more effectively.

As the shift has occurred from marketing-drive to customer-led marketing, the activities have moved from campaign based to 'always-on'. Customers expect organisations to react quickly and effectively to their changing demands. Organisations need to be agile and adapt decision-making based on real-time consumer behaviour.

Data can be an incredibly helpful tool to support this new 'always-on' environment. An effective data strategy will help you know not only when and what to communicate with your customers about, but also what customers want to hear. At a crude level, data can be used for example, to support the choice of words or phrases in copy. At a more refined level, your data can create an individual experience for your customer, personalised to meet their needs.

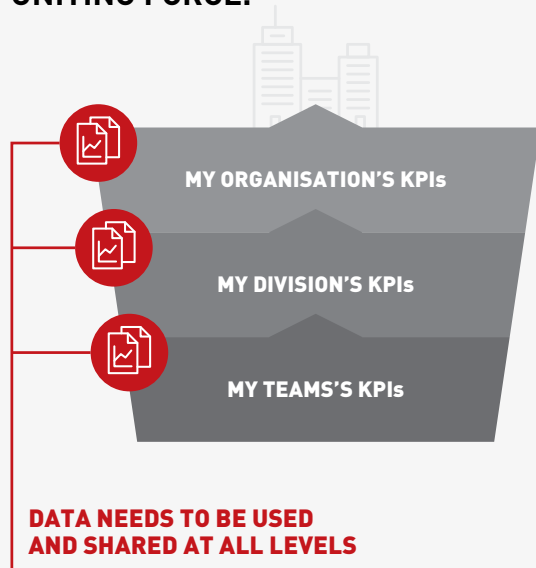
WHO IS DOING DATA-DRIVEN CUSTOMER EXPERIENCE WELL

Delivering a tailored customer experience is no longer the exclusive domain of boutique operators. Big businesses catering to large, diverse customer bases are automating their marketing and using dynamic segmentation to deliver personal experiences for a broad range of individual customers with distinct preferences.



SHIFTING THE INTERNAL CONVERSATION ABOUT DATA

WHEN YOU SHIFT YOUR ORIENTATION IN EVERYONE'S ROLES TOWARDS YOUR CUSTOMER, IT BECOMES CLEAR THAT RESPONSIBILITY FOR DATA FORMS PART OF EVERY ROLE. DATA CUTS THROUGH SILOS AND CAN BE USED AS A POWERFUL UNITING FORCE.



Data closes the gap between employees, customers and business outcomes

Data is impartial. It simply presents the facts as they are about an organisation and its customers. Data therefore can be a trustworthy source of information for employees about how their team, division and the organisation as a whole is performing.

When data is shared, those at every level can see how the actions they take directly affect customers and business outcomes. A well-designed data strategy that enables information about customers and performance to flow freely can provide both transparency and accountability for business performance.

CASE STUDY

CommBank develops compelling call-to-action for commercial clients through careful data analysis

M&C Saatchi's 'See more inside' campaign for CommBank has received the ADMA AC&E 2014 award for Data Visualisation. The judges thought it was strategically excellent and beautifully crafted.

CommBank's working capital unit analysed industry data for a small selection of 'new to bank' prospects, looking for ways CommBank's solutions could be of benefit to the prospects. Industry data was reviewed and matched with analytical tools and innovative CommBank products revealing opportunities for efficiency for each individual company.

Prospects were presented with the analysis, highlighting and visualising areas of potential growth, quantifying the results and outlining how CommBank's technology and expertise could make these a reality for the client. Rather than presenting vague promises, CommBank's data created a compelling rational reason, based on facts and analysis for prospects to consider.

Banking relationships tend to be long-term, with customers very reluctant to make a switch. Despite this, the team has made significant inroads, building relationships with the key decision makers in the prospect organisations.

The full case study and other winners from the ADMA AC&E Awards can be downloaded here acandearwards.com/2014-awards/



Data can spark creative thinking

Data is not simply facts and statistics. It can be used to support and stimulate informed conversations within the organisation. With the right people in place, data can be used to support open-ended enquiry and test hypotheses.

Creative briefs can be made significantly more tailored and accurate when data about the target audience is included. Information about those consuming creative outputs helps those designing and developing ideas produce better solutions.

Data is no longer static

In the past a question was asked, a model was built and then some time later, data was collected and analysed to answer the question. Today, real-time behaviours can be measured through the automation of marketing and data warehousing. This shift enables us to quantify the customer as they go through their journey with an organisation, leaving a digital trail behind them.



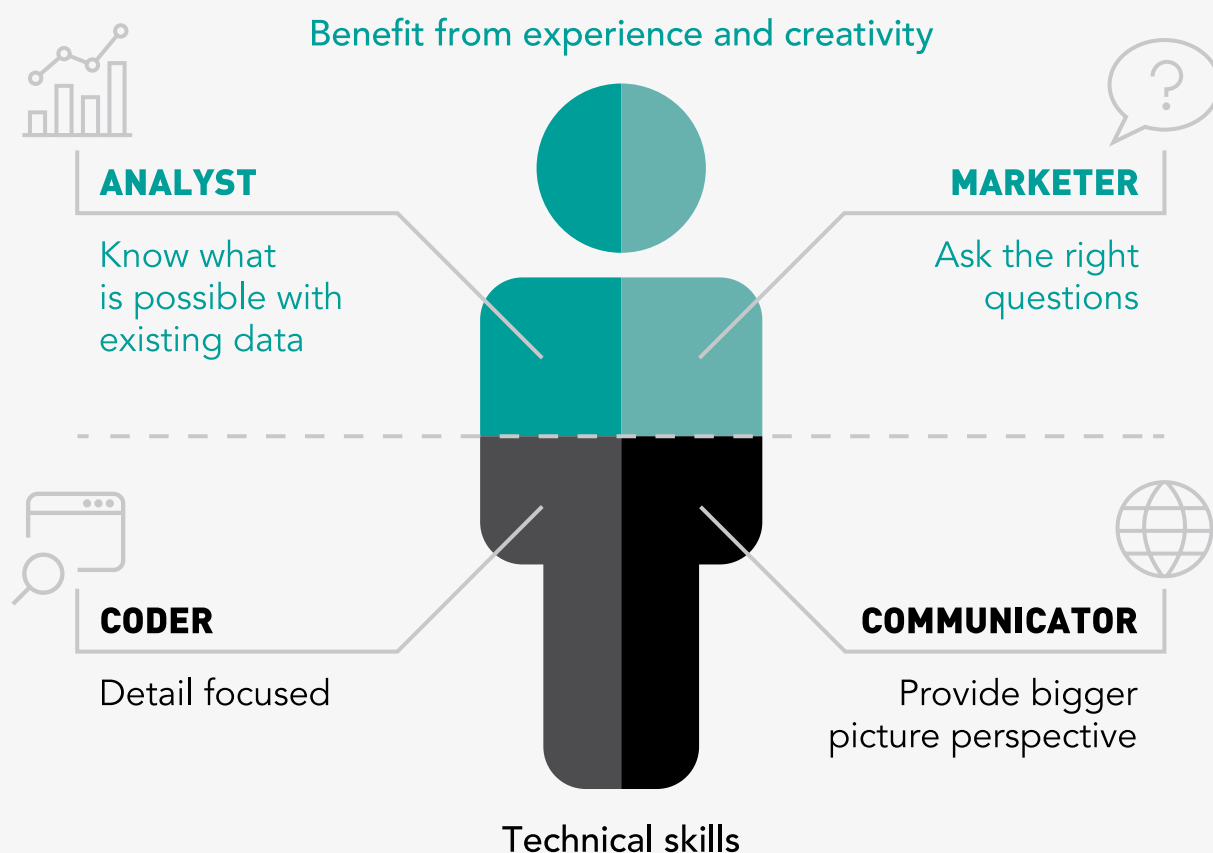
FINDING THE RIGHT MIX OF SKILLS TO IMPLEMENT YOUR DATA STRATEGY

ONE OF THE BIGGEST CHALLENGES FOR ORGANISATIONS TODAY IS FINDING GOOD PEOPLE WITH THE RIGHT MIX OF ANALYTICAL AND COMMUNICATION SKILLS NEEDED TO EXECUTE AN EFFECTIVE DATA STRATEGY. THE COMBINATION OF ANALYTICAL AND COMMUNICATIONS SKILLS DO NOT FIT NATURALLY INTO ANY SINGLE QUALIFICATION.

The ideal mix of skills

The ideal data analyst has a mix of creative and technical skills. They possess skills found in four different roles, an analyst, a coder, a marketer and a communicator.

The ideal candidate knows how to ask the right questions to extract the data and information you need.



The shortage of talent

It can be very difficult to hire data analysts with the right mix of skills. There are a number of reasons for this, including:

- The lack of existing talent makes it hard to develop and train others
- Businesses need analysts now and are not prepared to wait for talent to be developed
- A recent tightening of visa laws has restricted access to foreign talent

With such significant challenges in place for finding the right people with the right skills, businesses need to think creatively about ways to develop the talent pool both now and in the future.

Developing your existing talent

One of the easiest ways to develop your own analyst is to create roles that allow your talent the opportunity to develop skills across divisions.

Pairing old and new

Analysts can learn about the practical application of their technical skills by sitting with marketing specialists. Pairing a seasoned marketer with a fresh analyst can strengthen both. While the marketer benefits from the number crunching skills of the analyst, the analyst learns how data can be used creatively to answer questions and solve problems.

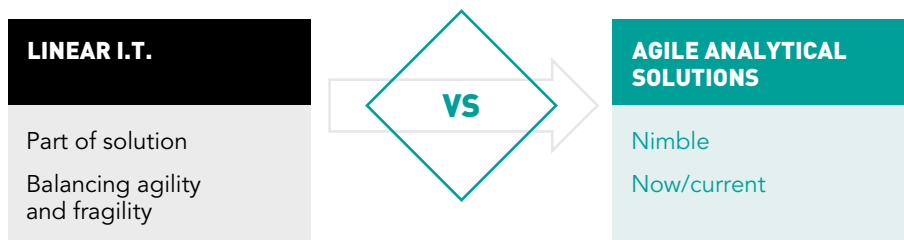
Cross-divisional talent

Project teams can be a useful source of cross-training. In these teams, analysts can have dual reporting through to a project office as well as a business division. Analysts in these roles can hone their technical skills along side fellow analysts in the project office, while developing a deeper understanding of the business at a practical level within the business division they report to.

Creating bridges between IT and business divisions

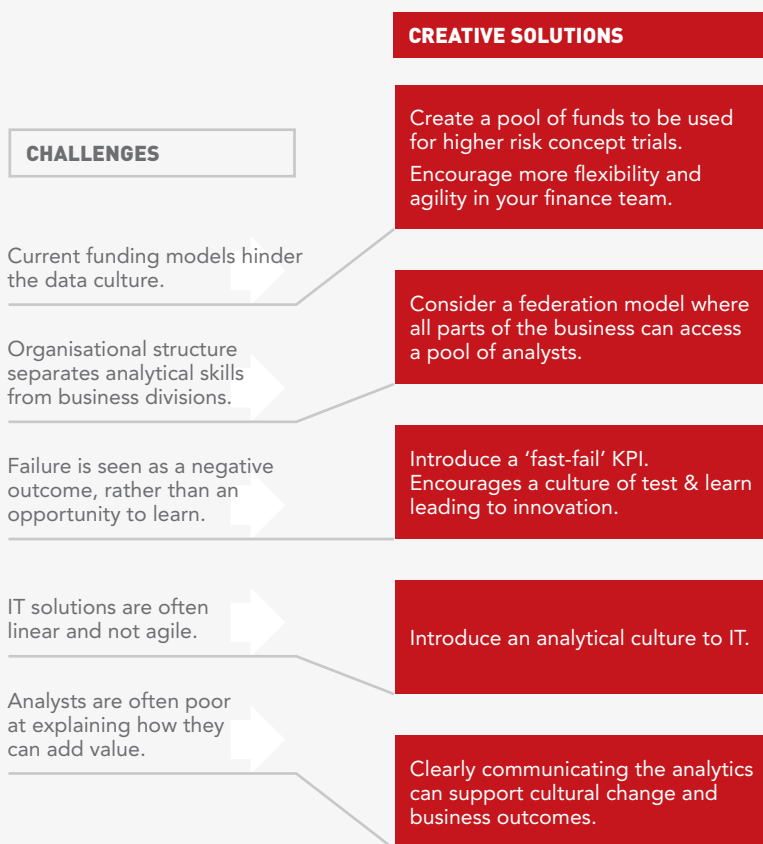
IT solutions are often linear in nature. They are specific solutions designed to address a particular problem. Their focus is narrow to contain cost and retain system stability, making them a limited resource for open-ended enquiry.

Creating bridges between IT and business divisions can widen the use of IT solutions. When given the opportunity, unrelated parts of the business can use IT outputs to make connections and generate insights that were previously unavailable.



CREATING AN ANALYSIS CULTURE

WHEN YOUR ORGANISATION UNDERSTANDS THE ROLE EVERYONE HAS TO PLAY IN FULFILLING YOUR DATA STRATEGY, YOUR NEXT STEP IS TO DEVELOP YOUR CULTURE TO SUPPORT AND ENCOURAGE AN ANALYSIS CULTURE.



The opportunity data brings to business

- More closely align your organisation to your customer's changing needs.
- Act more agile
 - Predictive marketing
 - Real-time response
 - A more effective spend, on things customers value, at the time they value them.
- Make more effective decisions based on facts rather than instinct.

CONCLUSIONS

Data strategy makes business sense

Effective data strategies provide organisations with insight into the customer experience. Data can provide you with the opportunity to more closely align your organisation to your customer's changing needs. You can become an organisation that:

- Acts with agility
 - Predictive marketing
 - Real-time response
 - A more effective spend, on things customers value, at the time they value them.
- Makes more effective decisions based on facts rather than instinct.

Your data strategy sets you apart from your competitors

The data you have and the way you use it directly affects your customers and the experience they have with you as an organisation. The way you use, or overlook the data you have available to you creates an impression on your customers, both existing and potential, that will drive bottom line results in the long term.

New businesses are built around their data strategy, enabling them to be more nimble and responsive to customer needs. Established businesses can lose market share to data driven organisations that understand and fulfil customer needs better.

The time has come to consider data as an asset on the balance sheet that drives performance.

The challenge lies in finding the right talent to implement your strategy

The skills shortage is real. There are simply not enough qualified professionals available who have the necessary technical, business and communication skills to go round. Businesses can either spend a lot to acquire talent or develop their own internally through hybrid roles that provide employees with opportunities to learn.



ACKNOWLEDGEMENTS

THIS WHITE PAPER IS A RESULT OF THE EXPERIENCE, IDEAS AND THOUGHT LEADERSHIP GENERATED BY THE ADMA DATA EXPERT GROUP FROM THE DATA THINK TANK.

These invitation-only facilitated workshops explore topics related to one of our content pillars; data, technology, customer experience, content or creativity.

WITH THANKS TO THE MEMBERS OF THE ADMA DATA EXPERT GROUP AND AUSTRALIA POST FOR THEIR SPONSORSHIP.



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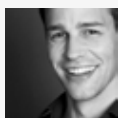
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OUR WHITEPAPERS ARE DESIGNED TO INFORM DECISION-MAKING EXECUTIVES ABOUT THE LATEST DEVELOPMENTS IN AN AREA OF BEST PRACTICE. WE INCLUDE EXAMPLES OF WHAT CAN BE ACHIEVED, HOW IT CAN TRANSFORM THE OPERATIONS OF AN ORGANISATION, AND THE MAIN ISSUES YOU NEED TO CONSIDER WHEN APPLYING THE PRINCIPLES, PRACTICES AND TECHNOLOGIES TO YOUR ORGANISATION. TO FIND OUT MORE ABOUT ADMA AND OUR MARKET-LEADING INSIGHTS, PLEASE VISIT US ONLINE AT ADMA.COM.AU.

ABOUT ADMA

THE ASSOCIATION FOR DATA-DRIVEN MARKETING AND ADVERTISING, OR ADMA, IS THE PRINCIPAL INDUSTRY BODY FOR INFORMATION BASED MARKETING AND ADVERTISING AND IS THE LARGEST MARKETING AND ADVERTISING BODY IN AUSTRALIA.

ADMA is the ultimate authority and go-to resource for creative and effective data driven marketing across all channels and platforms, providing insight, ideas and innovation to advance responsive and enlightened marketing.

- We represent the new era of marketing and advertising.
- We signify the full spectrum – a 360 view – end-to-end
 - From marketing to advertising
 - From effective to creative
 - From above to below
 - From measurable to engaging.

ADMA has over 550 member organisations including major financial institutions, telecommunications companies, energy providers, leading media companies, travel service companies, airlines, major charities, statutory corporations, educational institutions and specialist suppliers to the industry including advertising agencies, software and internet companies.

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